

Draft
City of Lawrence
Affordable Housing Advisory Board
December 10, 2018 minutes

MEMBERS PRESENT: Andrew Brown, Rebecca Buford, Susan Cooper, Ron Gaches, Dana Ortiz, Monte Soukup, Tim Stultz, Nancy Thellman, Sarah Waters, Erika Zimmerman

MEMBERS ABSENT: Edith Guffey, Thomas Howe, Shannon Oury

STAFF PRESENT: Diane Stoddard, Assistant City Manager; Scott McCullough, Director of Planning and Development Services; Danelle Walters, Community Development Manager; Jeff Crick, Planner II; Brad Karr, CDBG Program Analyst

Vice Chair Gaches called the meeting to order at 11:00 am.

1. Public Comment

Dan Dannenberg spoke to the board about the Kansas state statute [K.S.A. 12-16,120](#), which prohibits rent control, and the possibility of approaching the legislature about allowing local government to establish rent control.

2. Approve Minutes from November 12, 2018 meeting

Stultz moved to approve the [minutes from the November 12, 2018 meeting](#). Ortiz seconded the motion. The motion passed 10-0.

3. Monthly Financial Report

The monthly financial report is available on the [City of Lawrence opengov.com](#) website.

4. Review draft January 2019 retreat agenda

Stoddard presented the board with a [draft January 2019 retreat agenda](#).

Gaches asked if the 4 p.m. ending time was a hard stop time, or could the retreat extend longer if needed. Stoddard said the retreat could extend longer if needed.

Gaches asked how many board seats were expiring at the end of the year. Stoddard said Stultz and Thellman both were expiring on December 31, 2018; a replacement has already been appointed for Stultz. Thellman said, if it is the City's wish to continue having a Douglas County Commissioner on the board, Patrick Kelly would be replacing her on the board. Stoddard affirmed the ordinance does list a county commissioner as a board member, and asked if Douglas County could communicate their

intention on who will be Thellman's replacement, to allow the Mayor to make the appointment as soon as possible.

5. Review RFP Responses and make funding recommendations to the City Commission

a. Board member recusals

Stoddard asked any board member with a conflict of interest in the review of the RFP responses to recuse themselves and leave the room. Buford, Ortiz, Soukup, and Thellman all declared a conflict of interest and left the room. Zimmerman indicated, although Lawrence Habitat for Humanity was listed on one of the applications as a possible partner, they had not had any discussions with the applicant regarding the proposal and did not feel they had a conflict of interest.

b. Application presentations – [application comparison overview](#)

Gaches invited each applicant to give a three minute presentation on their application for funding, and to answer any questions from the board or staff.

i. [Housing and Credit Counseling, Inc.](#)

Gaches asked if the funding would be used to expand their current level of services, or in lieu of other funding to maintain their current level of services. Marilyn Stanley, Executive Director of HCCI, said the funding would be used to fill a needed gap in supporting their current level of services, but they could serve more clients if funding was available.

Stoddard asked how their program would be affected if only partially funded. Stanley said they would serve as many clients as the funding allowed. Stoddard asked if any of the HCCI counselors had passed the new HUD Certified Housing Counselor exam. Stanley said not yet, but they were currently studying for the exam. Stoddard asked if all of the clients served were under 80% of AMI, and how was the client income documented. Anju Mishra, Lawrence Branch Manager, said not all clients served were under 80% of AMI, but this proposal was only to fund counseling those clients under 80%, and they asked clients to provide income documentation.

ii. [Tenants to Homeowners, Inc. and The Willow Domestic Violence Center](#)

Gaches asked if the \$40,000 was for one new full time case manager, and if the case manager would be handling other cases outside of this program. Megan Stuke, Interim Executive Director for The Willow Domestic Violence Center, said the \$40,000 would be for one full time case manager, and a 36 person caseload is pretty high so the focus would be on these properties.

Zimmerman asked how many Willow residents were housed in affordable housing last year. Stuke said they already had one transitional house which had five residents, but not all clients kept in contact after leaving. Zimmerman asked about the mortgage structure from KU Endowment on the properties. Nicholas Ward, representing Tenants to Homeowners, Inc., said the exact structure of the mortgages would still need to be worked out. Zimmerman asked about the sustainability of the program after the funding is expended. Stuke said it would be a pilot project for the first year, but they did not

anticipate coming back to apply for additional funds from the Affordable Housing Trust Fund. Ward said the extremely low rents on the six houses would increase after the first year, but still would be below market rate.

Stultz asked if any energy efficiency audits or repairs had been completed on the houses. Ward said there were basic repairs needed on the properties, but the transitional house had \$200,000 in repairs within the last five or six years, including a new heating system.

Stoddard asked how the budget for the program would be affected with only four residents allowed in the transitional house, due to zoning regulations. Ward said the budget was adjusted after realizing the zoning restrictions, and would not be a problem. Stuke said the fifth bedroom could be used for a child of an adult resident.

iii. [Lawrence-Douglas County Housing Authority and Family Promise of Lawrence](#)

Stoddard asked how the case manager position would be sustained after the grant funds are expended. Nickie Daneke, Director of Housing Assistance, said it would be a priority for the LDCHA board to continue the position; it could be funded by other grants, donors, or returning to the AHAB to apply for additional housing trust funds. Stoddard asked if the funding to move clients into permanent housing after completing the New Horizons program was guaranteed. Daneke said HUD funding would be available, if the clients were eligible for general housing Section 8 vouchers.

Gaches asked if only partial funding was received, would the same number of clients be assisted, but just for 12 months instead of 24. Daneke said no, the program would remain at 24 months, with less clients served.

Stoddard asked about the criteria utilized to select clients to participate in the program. Daneke said all clients are on waiting lists, but local points would be given to the clients who live or work locally, moving them to the top of the lists. The original New Horizons agreement specified a priority for clients at the Lawrence Community Shelter. Stoddard asked if the funds would be restricted to be used in the City of Lawrence. Daneke said yes.

Waters asked if the program was only partially funded, would the case manager continue to be funded. Daneke said the case manager was identified as a major priority of the program, and they could not guarantee success of the program without the position; \$50,000 of any funding would first go to fund the case manager, with the remaining to house the clients.

iv. [Peoples Owned and Operated Collective Housing](#)

Zimmerman asked if the determination of who is a resident is income based. Kincaid Dennett, Member Services Coordinator, said there are no income requirements at intake. Zimmerman asked how the residents would access the grant funds. Dennett said information about the program would be offered to current and new residents in need.

Stoddard asked how partial funding would affect the program. Dennett said the program would be scaled down to match the amount of funding. Stoddard asked if the funds would only be used at the Sunflower House, or at the other co-op houses. Dennett said only at the Sunflower House. Stoddard asked what would happen to the program after the grant funds are expended. Dennett said they would continue to pursue additional community funds. Stoddard asked how many of the current residents are students. Dennett said there was one full time KU student, and three part-time Johnson County Community College students. Stoddard asked how income would be verified to access the grant funds. Gabi Sprague, Community at Large Board Member, said an income verification tool would be used, at the cost of \$25/person, which was included in the program budget.

Waters asked if security deposits were returned to the residents when they moved out. Dennett said over 90% of security deposits were returned; only permanent structural damage would be retained from the deposit. Waters asked how much was the current security deposit. Dennett said \$300.

Gaches asked if the grant funded security deposits would be returned to the residents upon move out. Sprague said it was potentially their intention to return the grant funded security deposit to the resident. Dennett said it would be returned after the resident completed one lease cycle and was leaving in good standing.

Stoddard asked if there was a waiting list for the ten vacancies at the Sunflower House. Dennett said they were just beginning recruitment for additional lower income residents, and there were five current applicants who stated they lacked the resources to pay the initial security deposit.

v. [Community Village Lawrence](#)

There was no representative in attendance to present or answer questions.

c. Public Comment

Gaches asked for public comment on the applications for funding.

Dan Dannenberg said he felt the applications were five silos, which maybe would benefit from combining services and having a one-stop resource for people in need. He also felt there needed to be more reporting on how the funds were being spent.

James Dunn, private sector housing provider, felt there should be a caveat on the POOCH application to retain the security deposit in-house instead of returning the grant funds to the exiting resident.

d. Review of applications

Gaches asked if staff had a method for the board to discussed and review the applications. Stoddard suggested the board members use the [matrix](#) provided in the RPF to individually score

each application, and then provide staff with a ranking order of each application from one to five, with one being their highest ranked application. Staff would [compile the results](#) to provide the board with additional information in their review and discussion.

The board agreed on the importance of case management in the two highest scoring applications and how the success rates of the programs would depend on those supportive services.

Stultz felt the top two scoring applications were aimed at the most at-risk populations.

Gaches indicated, if they funded both of the case managers from the top two ranking applications, it would leave \$110,000 for the housing component of each program.

Waters felt the board should compare the duration and the sustainability of the top two scoring applications.

e. Make recommendations

Zimmerman moved to fully fund the case management services related to both the Tenants to Homeowners, Inc./Willow Domestic Violence Center proposal and the Lawrence-Douglas County Housing Authority/Family Promise of Lawrence proposal, funding the Tenants to Homeowners, Inc./Willow Domestic Violence Center proposal at a total of \$90,000 and the Lawrence-Douglas County Housing Authority/Family Promise of Lawrence proposal at a total of \$110,000. Brown seconded the motion. The motion passed 6-0.

Gaches thanked all of the applicants, and encouraged the applicants who did not receive funding to apply again at the next funding opportunity.

6. Quick Updates

a. Updated Ethics Policy

Stoddard provided the board with the updated [Ethics Policy](#) adopted by the City Commission on November 6, 2018. Stoddard encouraged the board members to contact staff if there are any questions on the policy.

b. Updated draft Lawrence Housing Toolkit

Stoddard indicated the [draft of the Lawrence Housing Toolkit](#) had been updated for the board to use during the January 14, 2018 retreat.

7. Other New Business

There was no other new business.

8. Next Meeting / Future Agenda Items

The next meeting will be on January 14, 2019 from 11 a.m. to 4 p.m.

Gaches thanked Stultz and Thellman for their service on the board.

9. Adjourn

Ortiz moved to adjourn the meeting. Thellman seconded the motion. The motion passed 10-0.

Future Meeting Dates / Tentative Agenda items

January 14, 2019 – Board retreat (11 a.m. to 4 p.m.)

These minutes were approved by the Board: